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The Honorable Samuel J. Steiner
Chapter 7 Proceeding

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11 Attorneys for Creditor
12 Check Into Cash

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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF WASHINGTON AT SEATTLE**

In re:

Rupanjali Snowden,

Debtor.

Case No. 09-10318-SJS

**DECLARATION OF PAWEL BLAZ IN
SUPPORT OF CHECK INTO CASH'S
RESPONSE TO RUPANJALI
SNOWDEN'S MOTION FOR
SANCTIONS AGAINST CHECK INTO
CASH FOR WILLFUL VIOLATION
OF THE AUTOMATIC STAY UNDER
11 U.S.C § 362(K)(1)**

PAWEL BLAZ hereby declares as follows:

1. I am the Manager of Sales and Marketing for Gulf Management Systems, Inc.
("GMS"). I make this Declaration based on my personal knowledge and the business records kept
by GMS in the ordinary course of its business. I am over the age of 18, competent to testify, and
authorized to testify on GMS's behalf in this matter.

2. I have more than nine years of experience with Automatic Clearing House ("ACH")
transactions. I am an Accredited ACH Professional (AAP), a credential offered by the National
Automatic Clearing House Association to persons who demonstrate expertise in ACH transactions
by passing a rigorous exam.

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1 3. A brief description of ACH terminology would be helpful to explain how ACH
2 transactions occur. The diagram attached as EXHIBIT A, copied from page 5 of the ACH Primer
3 contained in the 2009 ACH Rules, illustrates how an ACH debit transaction might occur. For an
4 ACH debit transaction, the Originator is the person requesting the transfer of funds from another
5 person's account to the Originator's account. Before initiating an ACH transaction, the Originator
6 must receive authorization from the Receiver, the person whose account will be debited.

7 4. The Originator initiates an ACH debit transaction by transmitting an ACH debit
8 entry to the Originating Depository Financial Institution ("ODFI"), typically the Originator's bank.
9 An ACH debit entry is an electronic record containing information necessary to transfer funds out
10 of the Receiver's account. Submission of an ACH debit entry An ACH debit entry includes the
11 Receiver's name, the Receiver's account information (routing and account numbers), and the
12 amount to be debited from the Receiver's account. An ACH debit entry is the electronic equivalent
13 of a check.

14 5. The ODFI transmits the ACH debit entry to the ACH Operator. There are two ACH
15 Operators in the United States that process ACH transactions: the Federal Reserve and Electronic
16 Payment Network ("EPN"). EPN is the only private ACH Operator in the United States, and
17 processes approximately 48 percent of commercial ACH transactions in the United States. The
18 Federal Reserve processes the remaining ACH transactions.

19 6. After receiving the ACH debit entry from the ODFI, the ACH Operator transmits the
20 ACH debit entry to the Receiving Depository Financial Institution ("RDFI"). The RDFI debits the
21 Receiver's account for the amount of the transaction. The ACH Operator then debits the RDFI's
22 Federal Reserve account and credits the ODFI's Federal Reserve account. The ACH transaction is
23 complete when the ODFI subsequently credits the Originator's account.

24 7. There are many different types of ACH entries. The ACH transaction in this case
25 was a Prearranged Payment and Deposit ("PPD") entry. PPD entries are commonly used when the
26 Receiver signs a contract authorizing the Originator to electronically transfer funds into or out of the
27 Receiver's account. The Receiver may authorize repeating transfers, or a one-time transfer.
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1 8. In this case, Check Into Cash ("CIC") was the Originator, Mercantile Bank was the
2 ODFI, EPN was the ACH Operator, U.S. Bank was the RDFI, and Ms. Snowden was the Receiver.

3 9. GMS is a third party service provider for ACH transactions. GMS processes
4 approximately 6 million ACH transactions per year. GMS uses Affirmative Technologies, Inc.
5 ("ATI") to provide a web interface that permits GMS's customers, such as CIC, to initiate ACH
6 transactions by entering transaction information into an electronic form online. ATI uses this
7 information to create an ACH entry for each transaction. GMS then receives the ACH entry from
8 ATI. GMS combines ACH entries into one ACH file, and transmits that file to the ODFI. From
9 this point, the transaction proceeds as described above.

10 10. The ACH transaction in this case occurred as follows:

11 a. CIC submitted the check's information to ATI's software on February 19,
12 2009 at 9:08 a.m., thereby creating an ACH entry.

13 b. GMS received the ACH entry from ATI on February 19, 2009 at 9:57 a.m.

14 c. GMS processed the ACH entry into an ACH file on February 19, 2009 at
15 3:53 p.m.

16 d. Mercantile Bank processed and sent the ACH file to EPN on February 19,
17 2009 at 6:05 p.m. after receiving the file from GMS.

18 e. EPN transmitted the ACH debit entry to Ms. Snowden's account to U.S.
19 Bank on February 20, 2009 at 12:00 a.m.

20 f. The ACH transaction settled on February 20, 2009.

21 11. The ACH debit entry to Ms. Snowden's account was as follows (the character "X"
22 denotes a numeric character redacted to protect Ms. Snowden's bank account number):

23 627125000105XXXXXXXXXX5530 00000575000-11052 SNOWDEN RUPANJALI
24 0063113770009531

25 12. The first character ("6") is the Record Type Code. "6" denotes that the entry is in
26 the Entry Detail Record Format specified in Appendix Two to the 2009 ACH Operating Rules. The
27 next two characters ("27") is the Transaction Code, which is used to identify various types of debit
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1 and credit entries. "27" indicates that the entry is a demand debit record seeking automated
2 payment. The next eight characters ("12500010") identify the RDFI, here U.S. Bank. The next
3 character ("5") is the Check Digit calculated as described in Section 2.3 of Appendix Two to the
4 2009 ACH Operating Rules. Together, the eight-character RDFI identification number and the
5 Check Digit constitute the routing number ("125000105"). The next seventeen characters
6 ("XXXXXXXXX5530" followed by five empty spaces) represent the account number at the RDFI
7 from which funds should be withdrawn. The next ten characters ("0000057500") indicate the
8 amount of the transaction in dollars (the first eight characters of the amount) and cents (the last two
9 characters of the amount). Here, the amount is \$575.00. The next fifteen characters ("0-11052"
10 followed by eight empty spaces) is the Individual Identification Number provided by the Originator.
11 The next twenty-two characters ("SNOWDEN RUPANJALI" followed by five empty spaces)
12 identify the Receiver's name. The next two characters (two empty spaces) are Discretionary Data,
13 where ODFIs may insert two-digit codes of significance only to them. The next character ("0") is
14 the Addenda Record Indicator. "0" indicates that there was no addenda record. The last fifteen
15 characters ("063113770009531") indicate the Trace Number. The Trace Number is assigned by the
16 ODFI to uniquely identify each entry within an ACH file.

17 13. The ACH debit entry in Paragraph 11 of this declaration, combined with the batch
18 header information, identify Ms. Snowden's name, her account number at U.S. Bank, the
19 transaction amount, the transaction type, and Check Into Cash as the Originator of the entry.

20 I hereby declare, under penalty of perjury under the laws of the State of Washington, that the
21 foregoing is true and correct to the best of my knowledge.

22 DATED this 19 day of August, 2009.

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PAWEL BLAZ

25 ND: 19792.002 4821-0541-7475v1 8/19/09

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